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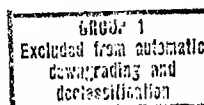
MEMORANDUM FOR: Director of Computer Services
Director of ELINT
Director of Foreign Missile and
Space Analysis Center
Director of Research and Development
Director of Scientific Intelligence
Director of Special Activities
Director of Special Projects

SUBJECT : The Necessity for Caution in Dealing
with Individuals Seeking Contracts
with DD/S&T

1. I would like you to bring to the attention of all officers having any responsibility for the initiation or monitoring of contracts the necessity for caution in dealing with certain individuals seeking Agency contracts.

2. From time to time such individuals indicate their intention of forming new business ventures and are looking for promises of support. It is important for project officers to determine whether or not the individual is, at the time of his approach, an employee of another company, perhaps a company with whom the Agency has existing contracts. The possibility exists that individuals who represent themselves while employed by another company may involve the Agency in lawsuits. In at least one case the employer made an effort to determine whether the employee was encouraged to establish his own business venture with the promise of contracts. In some instances these situations involve violations of the employment contract between the employee and the employer and also introduce the possibility that the individual may be proposing a product or research effort which involves proprietary rights of the employer.

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3. There are a few simple ground rules to be followed
by project officers in these situations.


a. Project officers must not directly or
indirectly encourage any individual to form a
business venture on the promise of Agency
contracts.

b. Do not accept proposals from individuals
who represent themselves while still employed by
another company.

c. Advise such individuals that no business
relationship can be established with them until
they have formally severed their relationship with
their employer.

d. Refer such individuals to the Agency
contracting officer who will advise them of
the basic financial, audit and security requirements
which must be complied with in advance of any
business relationship.

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Carl E. Duckett
Deputy Director
for
Science and Technology

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